



State of Wisconsin  
2005 - 2006 LEGISLATURE

LRB-1513/16  
JTK:cjs&kjf/s

Wanted THU 2/3 - 9 AM

DOA:.....Kraus, BB0352 - Sale of state property

FOR 2005-07 BUDGET — NOT READY FOR INTRODUCTION

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1 AN ACT ...; relating to: sale of certain state properties.

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*Analysis by the Legislative Reference Bureau*

**STATE GOVERNMENT**

**OTHER STATE GOVERNMENT**

Currently, state agencies having jurisdiction over state properties are authorized to sell the properties under various conditions and limitations, if the operation of the properties is not specifically provided for by law. The proceeds of any sales are credited or deposited in various ways as provided by law.

Currently, the Building Commission may sell or lease all or part of a state-owned building or structure or state-owned land if such authority is not provided to a state agency by law. The proceeds of any such sales or leases, after retirement of any outstanding debt on the affected properties, are paid into the budget stabilization fund. In addition, the Building Commission may sell certain surplus state land, subject in most cases to the consent of the Joint Committee on Finance, and may sell certain state-owned land in the vicinity of the state capitol.

This bill directs the secretary of administration, no later than July 1, 2006, to review all holdings state-owned real property for potential sale, except property under the jurisdiction of the Board of Regents of the UW System, property under the jurisdiction of DNR (except central or district office facilities), and certain other specified property. Potential sales may include surplus or nonsurplus property, and may be evaluated with or without the approval of the state agency that administers the affected property.

No later than October 1, 2006, the secretary of administration must submit a report to the secretary of the Building Commission containing an inventory of the secretary's recommendations to offer specified state properties for sale and giving the reasons therefor. Under the bill, if the Building Commission votes to approve the sale of any property included in the inventory on or before June 30, 2007, DOA may offer the property for sale and may sell the property if DOA believes that the sale is in the best interests of the state, subject to certain exceptions. Under the bill, the sale price need not reflect fair market value.

Any sale of state property by DOA may be either on the basis of public bids or negotiated prices. The bill does not authorize DOA to close or sell any facility or institution the operation of which is provided for by law. The authority granted by the bill does not apply to property that is leased by the state during the term of the lease without consent of the lessee. With certain exceptions, all net proceeds of property sales, after retirement of any outstanding debt on the affected properties and after any required reimbursement of the federal government for any federal financial assistance used to acquire the properties, are deposited in the general fund, and are then transferred from the general fund to the budget stabilization fund.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

SECTION 1. 13.101 (13) of the statutes is repealed.

SECTION 2. 13.48 (14) (d) 4. of the statutes is amended to read:

13.48 (14) (d) 4. If the commission proposes to sell or transfer a parcel of surplus land having a fair market value of at least \$20,000, the commission shall notify the joint committee on finance in writing of its proposed action. If the cochairpersons of the committee do not notify the commission that the committee has scheduled a meeting for the purpose of reviewing the proposed sale or transfer within 14 working days after the date of the commission's notification, the parcel may be sold or transferred by the commission. If, within 14 working days after the date of the commission's notification, the cochairpersons of the committee notify the commission that the committee has scheduled a meeting for the purpose of reviewing the proposed sale or transfer, the parcel may be sold or transferred under this

1 subdivision only upon approval of the committee. This subdivision does not apply  
2 to surplus land that is authorized to be sold under s. 16.848.

3 **SECTION 3.** 13.48 (22) of the statutes is amended to read:

4 13.48 (22) SALE OR LEASE OF CAPITOL AREA LANDS. The building commission may  
5 lease or resell lands acquired in the capitol planning area for public or private  
6 redevelopment and may set such conditions of sale or lease as it deems necessary to  
7 ensure development compatible with the needs of the community and the state. This  
8 subsection does not apply to lands that are authorized to be sold under s. 16.848.

9 **SECTION 4.** 16.848 of the statutes is created to read:

10 **16.848 Sale of certain state property.** (1) Except as provided in sub. (2) and  
11 subject to sub. (3), the department may sell any state-owned real property, if the  
12 department determines that the sale is in the best interest of the state. The sale may  
13 be either on the basis of public bids, with the department reserving the right to reject  
14 any bid in the interest of the state, or negotiated prices.

15 (2) (a) Subsection (1) does not authorize the closure or sale of any facility or  
16 institution the operation of which is provided for by law.

17 (b) Subsection (1) does not apply to property under the jurisdiction of the board  
18 of regents of the University of Wisconsin System.

19 (c) Subsection (1) does not apply to property sold by the department under s.  
20 16.98 (3).

21 (d) Subsection (1) does not apply to lands under the jurisdiction of the board  
22 of commissioners of public lands.

23 (e) Subsection (1) does not apply to property under the jurisdiction of the  
24 department of natural resources, except central or district office facilities.

1 (f) Subsection (1) does not apply to lands acquired with revenues collected  
2 under s. 70.58.

3 (g) Subsection (1) does not apply to property that is subject to sale by the  
4 department of veterans affairs under s. 45.72 (7).

5 (h) The department shall not sell any property under this section that is leased  
6 by the state until the lease expires or the lease is modified, renewed, or extended,  
7 whichever first occurs, without consent of the lessee.

8 (3) The department shall not sell any state property under sub. (1) unless the  
9 sale is approved by the building commission under 2005 Wisconsin Act .... (this act),  
10 section 9101 (1) (b).

11 (4) Except as provided in s. 13.48 (14) (e), if there is any outstanding public debt  
12 used to finance the acquisition, construction, or improvement of any property that  
13 is sold under sub. (1), the department shall deposit a sufficient amount of the net  
14 proceeds from the sale of the property in the bond security and redemption fund  
15 under s. 18.09 to repay the principal and pay the interest on the debt, and any  
16 premium due upon refunding any of the debt. If the property was <sup>acquired, constructed or</sup> ~~purchased~~ <sup>or</sup> ~~with~~ <sup>improved</sup>  
17 federal financial assistance, the department shall pay to the federal government any  
18 of the net proceeds required by federal law. If the property was acquired by gift or  
19 grant or acquired with gift or grant funds, the department shall adhere to any  
20 restriction governing use of the proceeds. Except as required under ss. 13.48 (14) (e),  
21 20.395 (9) (qd), and 51.06 (6), if there is no such debt outstanding, there are no  
22 moneys payable to the federal government, and there is no restriction governing use  
23 of the proceeds, and if the net proceeds exceed the amount required to be deposited,  
24 paid, or used for another purpose under this subsection, the department shall deposit  
25 the net proceeds or remaining net proceeds in the general fund.

1 (5) The department shall transfer all proceeds deposited in the general fund  
2 under sub. (4) to the budget stabilization fund.

3 **SECTION 5.** 23.15 (6) of the statutes is created to read:

4 23.15 (6) This section does not apply to property that is authorized to be sold  
5 under s. 16.848.

6 **SECTION 6.** 25.60 of the statutes is amended to read:

7 **25.60 Budget stabilization fund.** There is created a separate nonlapsible  
8 trust fund designated as the budget stabilization fund, consisting of moneys  
9 transferred to the fund from the general fund under ss. 13.48 (14) (c), 16.518 (3), and,  
10 16.72 (4) (b), and 16.848.

11 **SECTION 7.** 45.37 (10) (c) of the statutes is amended to read:

12 45.37 (10) (c) The Except where a sale occurs under s. 16.848, the department  
13 may manage, sell, lease or transfer property descending to the state pursuant to this  
14 section or conveyed to it by members, defend and prosecute all actions concerning it,  
15 pay all just claims against it, and do all other things necessary for the protection,  
16 preservation and management of such property. All expenditures necessary for the  
17 execution of functions under this paragraph or sub. (11) shall be made from the  
18 appropriation in s. 20.485 (1) (h).

19 **SECTION 8.** 45.38 (2) (a) 1. of the statutes is amended to read:

20 45.38 (2) (a) 1. Without limitation by reason of any other provisions of the  
21 statutes except s. 16.848, the power to sell and to convey title in fee simple to a  
22 nonprofit corporation any land and any existing buildings thereon owned by, or  
23 owned by the state and held for, the department or of any of the institutions under  
24 the jurisdiction of the department for such consideration and upon such terms and  
25 conditions as in the judgment of the board are in the public interest.

1           **SECTION 9.** 46.03 (30) (a) of the statutes is amended to read:

2           46.03 (30) (a) To provide for an orderly reduction of state institutional primary  
3       psychiatric services the department may approve the institutes entering into  
4       contracts with county departments under s. 51.42 for providing primary psychiatric  
5       care. If excess capacity exists at state operated mental health institutes, the  
6       department shall, subject to s. 16.848, explore whether the possible sale or lease of  
7       such excess facilities ~~may be sold or leased~~ to a county department under s. 51.42.

8           **SECTION 10.** 46.035 (1) (a) of the statutes is amended to read:

9           46.035 (1) (a) The term "existing building" in relation to any conveyance, lease  
10      or sublease made under sub. (2) (a) 1., 2. and 3., (b), and (c) means all detention,  
11      treatment, administrative, recreational, infirmary, hospital, vocational and  
12      academic buildings; all dormitories and cottages; all storage facilities, heating  
13      plants, sewage disposal plants, and such other buildings, structures, facilities and  
14      permanent improvements as in the judgment of the secretary are needed or useful  
15      for the purposes of the department, and all equipment therefor and all improvements  
16      and additions thereto which were erected, constructed or installed prior to the  
17      making of such conveyance, lease or sublease.

18          **SECTION 11.** 46.035 (1) (b) of the statutes is amended to read:

19          46.035 (1) (b) The term "new building" in relation to any conveyance, lease or  
20      sublease made under sub. (2) (a) 1., 2. and 3., (b), and (c) means all detention,  
21      treatment, administrative, recreational, infirmary, hospital, vocational and  
22      academic buildings; all dormitories and cottages; all storage facilities, heating  
23      plants, sewage disposal plants, and such other buildings, structures, facilities and  
24      permanent improvements as in the judgment of the secretary are needed or useful  
25      for the purposes of the department, and all equipment therefor and all improvements

1 and additions thereto which are erected, constructed or installed after the making  
2 of such conveyance, lease or sublease.

3 SECTION 12. 46.035 (2) (intro.) of the statutes is repealed.

4 SECTION 13. 46.035 (2) (a) of the statutes is renumbered 46.035 (2), and 46.035  
5 (2) (intro.), (a) and (c) to (j), as renumbered, are amended to read:

6 46.035 (2) (intro.) In order to provide new buildings and to enable the  
7 construction and financing thereof, to refinance indebtedness hereafter created by  
8 a nonprofit corporation for the purpose of providing a new building or buildings or  
9 additions or improvements thereto which are located on land owned by, or owned by  
10 the state and held for, the department or on lands of the institutions under the  
11 jurisdiction of the department or by the nonprofit corporation, or for any one or more  
12 of said purposes, but for no other purpose unless authorized by law, the department  
13 has, subject to s. 16.848, the following powers and duties:

14 (a) Without limitation by reason of any other provisions of the statutes except  
15 s. 16.848, the power to sell and to convey title in fee simple to a nonprofit corporation  
16 any land and any existing buildings thereon owned by, or owned by the state and held  
17 for, the department or of any of the institutions under the jurisdiction of the  
18 department for such consideration and upon such terms and conditions as in the  
19 judgment of the secretary are in the public interest.

20 (c) The power to lease or sublease from such nonprofit corporation, and to make  
21 available for public use, any such land and existing buildings conveyed or leased to  
22 such nonprofit corporation under subds. 1. and 2. pars. (a) and (b), and any new  
23 buildings erected upon such land or upon any other land owned by such nonprofit  
24 corporation, upon such terms, conditions and rentals, subject to available  
25 appropriations, as in the judgment of the secretary are in the public interest. With

1      respect to any property conveyed to such nonprofit corporation under ~~subd. 1. par.~~  
2      (a), such lease from such nonprofit corporation may be subject or subordinated to one  
3      or more mortgages of such property granted by such nonprofit corporation.

4      (d) The duty to submit the plans and specifications for all such new buildings  
5      and all conveyances, leases and subleases made under this ~~section~~ subsection to the  
6      department of administration and the governor for written approval before they are  
7      finally adopted, executed and delivered.

8      (e) The power to pledge and assign all or any part of the revenues derived from  
9      the operation of such new buildings as security for the payment of rentals due and  
10     to become due under any lease or sublease of such new buildings under ~~subd. 3 par.~~  
11     (c).

12     (f) The power to covenant and agree in any lease or sublease of such new  
13     buildings made under ~~subd. 3. par. (c)~~ to impose fees, rentals or other charges for the  
14     use and occupancy or other operation of such new buildings in an amount calculated  
15     to produce net revenues sufficient to pay the rentals due and to become due under  
16     such lease or sublease.

17     (g) The power to apply all or any part of the revenues derived from the operation  
18     of existing buildings to the payment of rentals due and to become due under any lease  
19     or sublease made under ~~subd. 3 par. (c)~~.

20     (h) The power to pledge and assign all or any part of the revenues derived from  
21     the operation of existing buildings to the payment of rentals due and to become due  
22     under any lease or sublease made under ~~subd. 3 par. (c)~~.

23     (i) The power to covenant and agree in any lease or sublease made under ~~subd.~~  
24     ~~3. par. (c)~~ to impose fees, rentals or other charges for the use and occupancy or other



1 operation of existing buildings in an amount calculated to produce net revenues  
2 sufficient to pay the rentals due and to become due under such lease or sublease.

3 (j) The power and duty, upon receipt of notice of any assignment by any such  
4 nonprofit corporation of any lease or sublease made under ~~subd. 3. par. (c)~~, or of any  
5 of its rights under any such sublease, to recognize and give effect to such assignment,  
6 and to pay to the assignee thereof rentals or other payments then due or which may  
7 become due under any such lease or sublease which has been so assigned by such  
8 nonprofit corporation.

9 SECTION 14. 46.035 (2) (b) of the statutes is renumbered 46.035 (3) and  
10 amended to read:

11 46.035 (3) The state ~~shall be~~ is liable for accrued rentals and for any other  
12 default under any lease or sublease made under ~~par. (a) 3. sub. (2) (c)~~, and may be  
13 sued therefor on contract as in other contract actions pursuant to ch. 775, except that  
14 it ~~shall not be~~ is not necessary for the lessor under any such lease or sublease or any  
15 assignee of such lessor or any person or other legal entity proceeding on behalf of such  
16 lessor to file any claim with the legislature prior to the commencement of any such  
17 action.

18 SECTION 15. 46.035 (2) (c) of the statutes is renumbered 46.035 (4).

19 SECTION 16. 46.035 (2) (d) of the statutes is repealed.

20 SECTION 17. 46.035 (2) (e) of the statutes is renumbered 46.035 (5) and amended  
21 to read:

22 46.035 (5) All laws, except s. 16.848 and ch. 150, conflicting that conflict with  
23 any provisions of this section, are, insofar as they conflict with this section and no  
24 further, superseded by this section.

25 SECTION 18. 46.06 (intro.) of the statutes is created to read:

1       **46.06 Lands; condemnation, easements, leases, sales, purchases.**

2       (intro.) Subject to s. 16.848:

3       **SECTION 19.** 46.09 (intro.) of the statutes is created to read:

4       **46.09 Purchases, bills, audits, payments.** (intro.) Subject to s. 16.848:

5       **SECTION 20.** 84.09 (9) of the statutes is created to read:

6       84.09 (9) Subsections (5), (5m), and (6) do not apply to state surplus property  
7       that is sold under s. 16.848.

8       **SECTION 21.** 301.235 (2) (a) (intro.) of the statutes is amended to read:

9       301.235 (2) (a) (intro.) In order to provide new buildings and to enable the  
10       construction and financing thereof, to refinance indebtedness created by a nonprofit  
11       corporation for the purpose of providing a new building or buildings or additions or  
12       improvements thereto which are located on land owned by, or owned by the state and  
13       held for, the department or on lands of the institutions under the jurisdiction of the  
14       department or owned by the nonprofit corporation, or for any one or more of those  
15       purposes, but for no other purpose unless authorized by law, the department, subject  
16       to s. 16.848, has the following powers and duties:

17       **SECTION 22.** 301.235 (2) (a) 1. of the statutes is amended to read:

18       301.235 (2) (a) 1. Without limitation by reason of any other statute except s.  
19       16.848, the power to sell and to convey title in fee simple to a nonprofit corporation  
20       any land and any existing buildings thereon owned by, or owned by the state and held  
21       for, the department or any of the institutions under the jurisdiction of the  
22       department for such consideration and upon such terms and conditions as in the  
23       judgment of the secretary are in the public interest.

24       **SECTION 23.** 301.24 (4) of the statutes is amended to read:

1           301.24 (4) SALES. The Except where a sale occurs under s. 16.848, the  
2 department, with the approval of the building commission, may sell and convey such  
3 lands under the jurisdiction of the department as the secretary deems to be in excess  
4 of the present or future requirements of the department for either the operation of  
5 its facilities or programs, for the maintenance of buffer zones adjacent to its facilities  
6 or for other public purposes. The proceeds of the sales shall be credited to the state  
7 building trust fund.

8           **SECTION 24.** 301.24 (4m) of the statutes is amended to read:

9           301.24 (4m) CORRECTIONAL INSTITUTION PROPERTY DISPOSITION. In addition to  
10 any other requirements under this section, except where a sale occurs under s.  
11 16.848, the department may sell or otherwise transfer or dispose of the property  
12 acquired for the correctional institution under s. 46.05 (1o), 1985 stats., only if the  
13 sale, transfer or disposition is approved by the joint committee on finance. The  
14 department shall submit a plan for any such proposed sale, transfer or disposition  
15 to the committee.

16           **SECTION 25.** 301.25 of the statutes is amended to read:

17           **301.25 Sewer system at Taycheedah Correctional Institution.** The  
18 department, with the approval of the governor, may enter into an agreement  
19 containing terms, conditions and covenants approved by the building commission,  
20 to participate in the construction of a sanitary sewer system in the area adjacent to  
21 the Taycheedah Correctional Institution in the town of Taycheedah, Fond du Lac  
22 County; to connect the sewer system of the Taycheedah Correctional Institution  
23 thereto; to pay sewage disposal charges; and to grant easements or, subject to s.  
24 16.848, convey land to meet construction requirements.

25           **SECTION 26.** 302.04 of the statutes is amended to read:

1       **302.04 Duties of warden and superintendents.** ~~The~~ Except as provided in  
2       s. 16.848, the warden or the superintendent of each state prison shall have charge  
3       and custody of the prison and all lands, belongings, furniture, implements, stock and  
4       provisions and every other species of property within the same or pertaining thereto.  
5       The warden or superintendent shall enforce the ~~regulations~~ rules of the department  
6       for the administration of the prison and for the government of its officers and the  
7       discipline of its inmates.

8       **SECTION 27.** 560.9810 (5) of the statutes is created to read:

9       560.9810 (5) NONAPPLICATION. This section does not apply to property that is  
10      authorized to be sold under s. 16.848.

11      **SECTION 9101. Nonstatutory provisions; administration.**

12      (1) SALE OF CERTAIN STATE PROPERTY.

13      (a) 1. No later than July 1, 2006, the secretary of administration shall review  
14      all holdings of state-owned real property for potential sale, except as provided in  
15      subdivision 2.

16      2. Subdivision 1. does not apply to any property, facility, or institution the  
17      closure or sale of which is not authorized under section 16.848 of the statutes, as  
18      created by this act.

19      (b) No later than October 1, 2006, the secretary of administration shall submit  
20      a report to the secretary of the building commission containing an inventory of his  
21      or her recommendations to offer specified state properties for sale under section  
22      16.848 of the statutes, as created by this act, and the reasons therefor. A property  
23      may be included in the inventory with or without approval of the state agency having  
24      jurisdiction of the property. If, on or before June 30, 2007, the building commission  
25      votes to approve the sale of any property included in the inventory, the department

- 1 of administration may offer the property for sale under section 16.848 of the statutes,  
2 as created by this act.

3 (c) This subsection does not apply after June 30, 2007.

(END)

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JWS  
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MS 2-1

Section #. 13.48 (14) (a) of the statutes is amended to read:

(B)  
13.48(14)(a) In this subsection, "agency" has the meaning given for "state agency" in s. 20.001 (1).

History: 1971 c. 125; 1973 c. 90; 1973 c. 243 s. 82; 1973 c. 335 s. 13; 1975 c. 39, 40, 198, 199; 1977 c. 26; 1977 c. 29 ss. 7, 8r, 1654 (8) (c); 1977 c. 325; 1977 c. 418 ss. 5, 5m, 924 (18) (c); 1979 c. 34, 221, 350; 1981 c. 341; 1983 a. 27 ss. 11 to 12n, 2202 (5); 1983 a. 36 ss. 18 to 20, 96 (3); 1983 a. 207; 1985 a. 29, 120; 1987 a. 27, 186, 395, 399; 1989 a. 31, 366; 1991 a. 39, 269, 315; 1993 a. 16, 288, 414; 1995 a. 27, 216, 225, 227; 1997 a. 5, 27, 35, 237; 1999 a. 9; 1999 a. 150 s. 672; 1999 a. 197; 2001 a. 16, 103; 2003 a. 33 ss. 25 to 26i, 9160; 2003 a. 91.

except that prior to July 1, 2007, the term  
does not include the board of  
regents of the University of  
Wisconsin system.

Trs 5-2.1

Section #. 20.285 (1) (ga) of the statutes is amended to read:

20,285(1) (b) *Surplus auxiliary funds.* Any moneys in any program revenue appropriation under this section which the board of regents determines to be surplus, to be used for the construction or acquisition of university housing facilities, commons, dining facilities, field house or other buildings, or for other permanent improvements, purchase of land, equipment for such buildings or investment in bonds or securities, or for the payment of debt service costs, as provided in s. 36.06 (6) and (7), 1969 stats., and s. 37.02 (3), 1969 stats., as the board of regents determines. Separate accounts shall be maintained for each activity of each unit with funds in this appropriation.

History: 1971 c. 40 s. 93; 1971 c. 100 s. 23; 1971 c. 125, 215, 236; 1971 c. 323 s. 27; 1973 c. 90, 301, 333, 340; 1975 c. 39; 1975 c. 41 s. 52; 1975 c. 198 s. 63; 1975 c. 224; 1977 c. 29; 1977 c. 418 ss. 91 to 92, 924 (50), 929 (55); 1977 c. 422; 1977 c. 447 s. 206; 1979 c. 34, 221; 1981 c. 20; 1983 a. 27 ss. 213 to 215m, 2202 (20); 1983 a. 237; 1983 a. 333 s. 6; 1985 a. 29, 120, 339; 1987 a. 27, 399; 1989 a. 31; 1989 a. 56 s. 259; 1989 a. 269, 335, 353; 1991 a. 39, 167, 269; 1993 a. 16, 455; 1995 a. 27 ss. 600m to 615m, 1080b, 1085b, 1086b; 1995 a. 227, 228; 1997 a. 27 s. 257m, 263m, 271 to 281; 1997 a. 237, 252; 1999 a. 9, 32, 107; 1999 a. 150 s. 672; 2001 a. 16, 103, 109; 2003 a. 33, 176, 321.

except moneys derived from the sale  
of real property received before July 1, 2007

Inv 55-2:2

Section #. 20.285 (1) (h) of the statutes is amended to read:

, but not including  
any moneys received  
from the sale of real  
property before July  
1,  
2007

26.285 (1) (h) *Auxiliary enterprises.* Except as provided under subs. (4) (g) and (gm), (5) (i), and (6) (g), all moneys received by the University of Wisconsin System for or on account of any housing facility, commons, dining halls, cafeteria, student union, athletic activities, stationery stand or bookstore, parking facilities or car fleet, or such other auxiliary enterprise activities as the board designates and including such fee revenues as allocated by the board and including such moneys received under leases entered into previously with nonprofit building corporations as the board designates to be receipts under this paragraph, to be used for the operation, maintenance, and capital expenditures of activities specified in this paragraph, including the transfer of funds to pars. (kd), (ke), and s. 20.235 (1) (ke), and to nonprofit building corporations to be used by the corporations for the retirement of existing indebtedness and such other payments as may be required under existing loan agreements, for optional rental payments in addition to the mandatory rental payments under the leases and subleases in connection with the providing of facilities for such activities, and for grants under ss. 36.25 (14) and 36.34. A separate account shall be maintained for each campus and extension. Upon the request of the extension or any campus within the system, the board of regents may transfer surplus moneys appropriated under this paragraph to the appropriation account under par. (kp). Annually, the amount in the schedule under s. 20.005 (3) for the appropriation under s. 20.235 (1) (ke) shall be transferred from this appropriation to the appropriation account under s. 20.235 (1) (ke).

**History:** 1971 c. 40 s. 93; 1971 c. 100 s. 23; 1971 c. 125, 215, 236; 1971 c. 323 s. 27; 1973 c. 90, 301, 333, 340; 1975 c. 39; 1975 c. 41 s. 52; 1975 c. 198 s. 63; 1975 c. 224; 1977 c. 29; 1977 c. 418 ss. 91 to 92, 924 (50), 929 (55); 1977 c. 422; 1977 c. 447 s. 206; 1979 c. 34, 221; 1981 c. 20; 1983 a. 27 ss. 213 to 215m, 2202 (20); 1983 a. 237; 1983 a. 333 s. 6; 1985 a. 29, 120, 339; 1987 a. 27, 399; 1989 a. 31; 1989 a. 56 s. 259; 1989 a. 269, 335, 353; 1991 a. 39, 167, 269; 1993 a. 16, 455; 1995 a. 27 ss. 600m to 615m, 1080b, 1085b, 1086b; 1995 a. 227, 228; 1997 a. 27 s. 257m, 263m, 271 to 281; 1997 a. 237, 252; 1999 a. 9, 32, 107; 1999 a. 150 s. 672; 2001 a. 16, 103, 109; 2003 a. 33, 176, 321.



JNS 5-2:3

Section #. 20.285 (1) (iz) of the statutes is amended to read:

20.285(1) <sup>(B)</sup> (iz) *General operations receipts.* All moneys received for or on account of the University of Wisconsin System, unless otherwise specifically appropriated, to be used for general operations.

~~History: 1971 c. 40 s. 93; 1971 c. 100 s. 23; 1971 c. 125, 215, 236; 1971 c. 323 s. 27; 1973 c. 90, 301, 333, 340; 1975 c. 39; 1975 c. 41 s. 52; 1975 c. 198 s. 63; 1975 c. 224; 1977 c. 29; 1977 c. 418 ss. 91 to 92, 924 (50), 929 (55); 1977 c. 422; 1977 c. 447 s. 206; 1979 c. 34, 221; 1981 c. 20; 1983 a. 27 ss. 213 to 215m, 2202 (20); 1983 a. 333 s. 6; 1985 a. 29, 120, 339; 1987 a. 27, 399; 1989 a. 31; 1989 a. 56 s. 259; 1989 a. 269, 335, 353; 1991 a. 39, 167, 269; 1993 a. 16, 455; 1995 a. 27 ss. 600m to 615m, 1080b, 1085b, 1086b; 1995 a. 227, 228; 1997 a. 27 s. 257m, 263m, 271 to 281; 1997 a. 237, 252; 1999 a. 9, 32, 107; 1999 a. 150 s. 672; 2001 a. 16, 103, 109; 2003 a. 33, 176, 321.~~

including all moneys received  
from the sale of real property  
prior to July 1, 2007,



7wss-2:4

Section #. 20.285 (1) (j) of the statutes is amended to read:

20.285(1) (B)

(j) *Gifts and donations.* All moneys received from gifts, grants, bequests and devises to be administered and expended in accordance with the terms of the gift, grant, bequest or devise to carry out the purposes for which made and received.

*History:* 1971 c. 40 s. 93; 1971 c. 100 s. 23; 1971 c. 125, 215, 236; 1971 c. 323 s. 27; 1973 c. 90, 301, 333, 340; 1975 c. 39; 1975 c. 41 s. 52; 1975 c. 198 s. 63; 1975 c. 224; 1977 c. 29; 1977 c. 418 ss. 91 to 92, 924 (50), 929 (55); 1977 c. 422; 1977 c. 447 s. 206; 1979 c. 34, 221; 1981 c. 20; 1983 a. 27 ss. 213 to 215m, 2202 (20); 1983 a. 237; 1983 a. 333 s. 6; 1985 a. 29, 120, 339; 1987 a. 27, 399; 1989 a. 31; 1989 a. 56 s. 259; 1989 a. 269, 335, 353; 1991 a. 39, 167, 269; 1993 a. 16, 455; 1995 a. 27 ss. 600m to 615m, 1080b, 1085b, 1086b; 1995 a. 227, 228; 1997 a. 27 s. 257m, 263m, 271 to 281; 1997 a. 237, 252; 1999 a. 9, 32, 107; 1999 a. 150 s. 672; 2001 a. 16, 103, 109; 2003 a. 33, 176, 321.

except moneys  
received from the  
sale of real  
property  
before  
July 1, 2007,

TWS § 2:5

Section #. 20.285 (1) (ka) of the statutes is amended to read:

20.285 (1) (b)

(ka) *Sale of real property.* All net proceeds from the sale of real property by the board under s. 36.34, 1969 stats., and s. 36.33, to be used for the purposes of s. 36.34, 1969 stats., and s. 36.33, including the expenses enumerated in s. 13.48 (2) (d) incurred in selling the real property under those sections.

~~History: 1971 c. 40 s. 93; 1971 c. 100 s. 23; 1971 c. 125, 215, 236; 1971 c. 323 s. 27; 1973 c. 90, 301, 333, 340; 1975 c. 39; 1975 c. 41 s. 52; 1975 c. 198 s. 63; 1975 c. 224; 1977 c. 29; 1977 c. 418 ss. 91 to 92, 924 (50), 929 (55); 1977 c. 422; 1977 c. 447 s. 206; 1979 c. 34, 221; 1981 c. 20; 1983 a. 27 ss. 213 to 215m, 2202 (20); 1983 a. 333 s. 6; 1985 a. 29, 120, 339; 1987 a. 27, 399; 1989 a. 31; 1989 a. 56 s. 259; 1989 a. 269, 335, 353; 1991 a. 39, 167, 269; 1993 a. 16, 455; 1995 a. 27 ss. 600m to 615m, 1080b, 1085b, 1086b; 1995 a. 227, 228; 1997 a. 27 s. 257m, 263m, 271 to 281; 1997 a. 237, 252; 1999 a. 9, 32, 107; 1999 a. 150 s. 672; 2001 a. 16, 103, 109; 2003 a. 33, 176, 321.~~

except net proceeds received before July 1, 2007.

2005-2006 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-1513/6dn  
JTK.....

INS 2A:

*, constructed, or improved*

X Currently, the proceeds of sales of real property by the board of regents of the University of Wisconsin system are appropriated for various purposes. This bill provides that, for proceeds received from these sales before July 1, 2007, unless otherwise required for properties that are encumbered, acquired ~~or built~~ with federal financial assistance, or restricted by the terms of a gift or grant, the board shall use the net proceeds for the operation of the UW system.

INS 13-3:

**SECTION 9152X. Nonstatutory provisions; University of Wisconsin system?**

(1) SALE OF REAL PROPERTY. If the board of regents of the University of Wisconsin system ~~sells any real property under its jurisdiction~~ sells any real property under its jurisdiction prior to July 1, 2007, the board shall credit the net proceeds of the sale to the appropriation account under section 20.285 (1) (iz) of the statutes, except that if

*✓*

1 (f) Subsection (1) does not apply to lands acquired with revenues collected  
2 under s. 70.58.

3 (g) Subsection (1) does not apply to property that is subject to sale by the  
4 department of veterans affairs under s. 45.72 (7).

5 (h) The department shall not sell any property under this section that is leased  
6 by the state until the lease expires or the lease is modified, renewed, or extended,  
7 whichever first occurs, without consent of the lessee.

8 (3) The department shall not sell any state property under sub. (1) unless the  
9 sale is approved by the building commission under 2005 Wisconsin Act ... (this act)  
10 section 9101 (1) (b).

11 (4) Except as provided in s. 13.48 (14) (e), ~~if~~ there is any outstanding public debt

12 used to finance the acquisition, construction, or improvement of any property that  
13 is sold under sub. (1), <sup>section</sup> the <sup>board</sup> department shall deposit a sufficient amount of the net

14 proceeds from the sale of the property in the bond security and redemption fund  
15 under s. 18.09 <sup>action of the statutes</sup> to repay the principal and pay the interest on the debt, and any

16 premium due upon refunding any of the debt. If the property was <sup>acquired, constructed, or improved</sup> purchased with  
17 federal financial assistance, the <sup>board</sup> department shall pay to the federal government any

18 of the net proceeds required by federal law. If the property was acquired by gift or  
19 grant or acquired with gift or grant funds, the <sup>board</sup> department shall adhere to any

20 restriction governing use of the proceeds. ~~Except as required under ss. 13.48 (14) (e),~~

21 ~~20.395 (9) (qd), and 51.06 (6), if there is no such debt outstanding, there are no~~

22 ~~moneys payable to the federal government, and there is no restriction governing use~~

23 ~~of the proceeds, and if the net proceeds exceed the amount required to be deposited,~~

24 ~~paid, or used for another purpose under this subsection, the department shall deposit~~

25 ~~the net proceeds or remaining net proceeds in the general fund.~~

*end insert*

## Kuesel, Jeffery

---

**From:** Kraus, Jennifer - DOA  
**Sent:** Thursday, February 03, 2005 2:00 PM  
**To:** Kuesel, Jeffery; Miller, Steve; Hanaman, Cathlene  
**Cc:** Schmiedicke, David  
**Subject:** FW: LRB Draft: 05-1513/6 Sale of state property

**Importance:** High



05-1513/6

Jeff, Steve and Cathleen,

We need to change s. 16.848 (5) which deals with the transfer of proceeds to the budget stabilization fund. To ensure that dollars are actually put into the budget stabilization fund, we want to have \$36 mn (which is our estimate of the amount that can be saved through asset sales) transferred from the general fund to the budget stabilization fund, independent of the amount of net proceeds actually deposited into the general fund. Thanks - Call if you have questions - Jenny

-----Original Message-----

**From:** Frantzen, Jean [mailto:Jean.Frantzen@legis.state.wi.us]  
**Sent:** Thursday, February 03, 2005 9:49 AM  
**To:** Kraus, Jennifer - DOA  
**Cc:** Hanaman, Cathlene; Haugen, Caroline; Merry-Mason, Monica  
**Subject:** LRB Draft: 05-1513/6 Sale of state property

Following is the PDF version of draft 05-1513/6.



State of Wisconsin  
2005 - 2006 LEGISLATURE

LRB-1513/8

JTK:cjs&kjf:7

Wanted Fri: 2/4 10AM

DOA:.....Kraus, BB0352 - Sale of state property

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

Don't Gen

- 1 AN ACT ...; relating to: sale of certain state properties.

*Analysis by the Legislative Reference Bureau*

**STATE GOVERNMENT**

**OTHER STATE GOVERNMENT**

Currently, state agencies having jurisdiction over state properties are authorized to sell the properties under various conditions and limitations, if the operation of the properties is not specifically provided for by law. The proceeds of any sales are credited or deposited in various ways as provided by law.

Currently, the Building Commission may sell or lease all or part of a state-owned building or structure or state-owned land if such authority is not provided to a state agency by law. The proceeds of any such sales or leases, after retirement of any outstanding debt on the affected properties, are paid into the budget stabilization fund. In addition, the Building Commission may sell certain surplus state land, subject in most cases to the consent of the Joint Committee on Finance, and may sell certain state-owned land in the vicinity of the state capitol.

This bill directs the secretary of administration, no later than July 1, 2006, to review all holdings state-owned real property for potential sale, except property under the jurisdiction of the Board of Regents of the UW System, property under the jurisdiction of DNR (except central or district office facilities), and certain other specified property. Potential sales may include surplus or nonsurplus property, and may be evaluated with or without the approval of the state agency that administers the affected property.

**STATE FINANCE**  
This bill transfers \$36,000,000 from the general fund to the budget stabilization fund.

No later than October 1, 2006, the secretary of administration must submit a report to the secretary of the Building Commission containing an inventory of the secretary's recommendations to offer specified state properties for sale and giving the reasons therefor. Under the bill, if the Building Commission votes to approve the sale of any property included in the inventory on or before June 30, 2007, DOA may offer the property for sale and may sell the property if DOA believes that the sale is in the best interests of the state, subject to certain exceptions. Under the bill, the sale price need not reflect fair market value.

Any sale of state property by DOA may be either on the basis of public bids or negotiated prices. The bill does not authorize DOA to close or sell any facility or institution the operation of which is provided for by law. The authority granted by the bill does not apply to property that is leased by the state during the term of the lease without consent of the lessee. With certain exceptions, all net proceeds of property sales, after retirement of any outstanding debt on the affected properties and after any required reimbursement of the federal government for any federal financial assistance used to acquire, construct, or improve the properties, are deposited in the general fund, ~~and are then transferred from the general fund to the budget stabilization fund.~~

Currently, the proceeds of sales of real property by the Board of Regents of the University of Wisconsin System are appropriated for various purposes. This bill provides that, for proceeds received from these sales before July 1, 2007, unless otherwise required for properties that are encumbered, acquired, constructed, or improved with federal financial assistance, or restricted by the terms of a gift or grant, the board shall use the net proceeds for the operation of the UW System.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           SECTION 1. 13.101 (13) of the statutes is repealed.

2           SECTION 2. 13.48 (14) (a) of the statutes is amended to read:

3           13.48 (14) (a) In this subsection, "agency" has the meaning given for "state  
4           agency" in s. 20.001 (1), except that prior to July 1, 2007, the term does not include  
5           the Board of Regents of the University of Wisconsin System.

6           SECTION 3. 13.48 (14) (d) 4. of the statutes is amended to read:

7           13.48 (14) (d) 4. If the commission proposes to sell or transfer a parcel of surplus  
8           land having a fair market value of at least \$20,000, the commission shall notify the



1 joint committee on finance in writing of its proposed action. If the cochairpersons of  
2 the committee do not notify the commission that the committee has scheduled a  
3 meeting for the purpose of reviewing the proposed sale or transfer within 14 working  
4 days after the date of the commission's notification, the parcel may be sold or  
5 transferred by the commission. If, within 14 working days after the date of the  
6 commission's notification, the cochairpersons of the committee notify the  
7 commission that the committee has scheduled a meeting for the purpose of reviewing  
8 the proposed sale or transfer, the parcel may be sold or transferred under this  
9 subdivision only upon approval of the committee. This subdivision does not apply  
10 to surplus land that is authorized to be sold under s. 16.848.

11 **SECTION 4.** 13.48 (22) of the statutes is amended to read:

12 13.48 (22) SALE OR LEASE OF CAPITOL AREA LANDS. The building commission may  
13 lease or resell lands acquired in the capitol planning area for public or private  
14 redevelopment and may set such conditions of sale or lease as it deems necessary to  
15 ensure development compatible with the needs of the community and the state. This  
16 subsection does not apply to lands that are authorized to be sold under s. 16.848.

17 **SECTION 5.** 16.848 of the statutes is created to read:

18 **16.848 Sale of certain state property.** (1) Except as provided in sub. (2) and  
19 subject to sub. (3), the department may sell any state-owned real property, if the  
20 department determines that the sale is in the best interest of the state. The sale may  
21 be either on the basis of public bids, with the department reserving the right to reject  
22 any bid in the interest of the state, or negotiated prices.

23 (2) (a) Subsection (1) does not authorize the closure or sale of any facility or  
24 institution the operation of which is provided for by law.

1           (b) Subsection (1) does not apply to property under the jurisdiction of the board  
2 of regents of the University of Wisconsin System.

3           (c) Subsection (1) does not apply to property sold by the department under s.  
4 16.98 (3).

5           (d) Subsection (1) does not apply to lands under the jurisdiction of the board  
6 of commissioners of public lands.

7           (e) Subsection (1) does not apply to property under the jurisdiction of the  
8 department of natural resources, except central or district office facilities.

9           (f) Subsection (1) does not apply to lands acquired with revenues collected  
10 under s. 70.58.

11           (g) Subsection (1) does not apply to property that is subject to sale by the  
12 department of veterans affairs under s. 45.72 (7).

13           (h) The department shall not sell any property under this section that is leased  
14 by the state until the lease expires or the lease is modified, renewed, or extended,  
15 whichever first occurs, without consent of the lessee.

16           (3) The department shall not sell any state property under sub. (1) unless the  
17 sale is approved by the building commission under 2005 Wisconsin Act .... (this act),  
18 section 9101 (1) (b).

19           (4) Except as provided in s. 13.48 (14) (e), if there is any outstanding public debt  
20 used to finance the acquisition, construction, or improvement of any property that  
21 is sold under sub. (1), the department shall deposit a sufficient amount of the net  
22 proceeds from the sale of the property in the bond security and redemption fund  
23 under s. 18.09 to repay the principal and pay the interest on the debt, and any  
24 premium due upon refunding any of the debt. If the property was acquired,  
25 constructed, or improved with federal financial assistance, the department shall pay

1 to the federal government any of the net proceeds required by federal law. If the  
2 property was acquired by gift or grant or acquired with gift or grant funds, the  
3 department shall adhere to any restriction governing use of the proceeds. Except as  
4 required under ss. 13.48 (14) (e), 20.395 (9) (qd), and 51.06 (6), if there is no such debt  
5 outstanding, there are no moneys payable to the federal government, and there is no  
6 restriction governing use of the proceeds, and if the net proceeds exceed the amount  
7 required to be deposited, paid, or used for another purpose under this subsection, the  
8 department shall deposit the net proceeds or remaining net proceeds in the general  
9 fund.

10 (5) The department shall transfer all proceeds deposited in the general fund  
11 under sub. (4) to the budget stabilization fund.

12 SECTION 6. 20.285 (1) (ga) of the statutes is amended to read:

13 20.285 (1) (ga) *Surplus auxiliary funds.* Any moneys in any program revenue  
14 appropriation under this section which the board of regents determines to be  
15 surplus, except moneys derived from the sale of real property received before July  
16 1, 2007, to be used for the construction or acquisition of university housing facilities,  
17 commons, dining facilities, field house or other buildings, or for other permanent  
18 improvements, purchase of land, equipment for such buildings or investment in  
19 bonds or securities, or for the payment of debt service costs, as provided in s. 36.06  
20 (6) and (7), 1969 stats., and s. 37.02 (3), 1969 stats., as the board of regents  
21 determines. Separate accounts shall be maintained for each activity of each unit  
22 with funds in this appropriation.

23 SECTION 7. 20.285 (1) (h) of the statutes is amended to read:

24 20.285 (1) (h) *Auxiliary enterprises.* Except as provided under subs. (4) (g) and  
25 (gm), (5) (i), and (6) (g), all moneys received by the University of Wisconsin System

1 for or on account of any housing facility, commons, dining halls, cafeteria, student  
2 union, athletic activities, stationery stand or bookstore, parking facilities or car fleet,  
3 or such other auxiliary enterprise activities as the board designates and including  
4 such fee revenues as allocated by the board and including such moneys received  
5 under leases entered into previously with nonprofit building corporations as the  
6 board designates to be receipts under this paragraph, but not including any moneys  
7 received from the sale of real property before July 1, 2007, to be used for the  
8 operation, maintenance, and capital expenditures of activities specified in this  
9 paragraph, including the transfer of funds to pars. (kd), (ke), and s. 20.235 (1) (ke),  
10 and to nonprofit building corporations to be used by the corporations for the  
11 retirement of existing indebtedness and such other payments as may be required  
12 under existing loan agreements, for optional rental payments in addition to the  
13 mandatory rental payments under the leases and subleases in connection with the  
14 providing of facilities for such activities, and for grants under ss. 36.25 (14) and  
15 36.34. A separate account shall be maintained for each campus and extension. Upon  
16 the request of the extension or any campus within the system, the board of regents  
17 may transfer surplus moneys appropriated under this paragraph to the  
18 appropriation account under par. (kp). Annually, the amount in the schedule under  
19 s. 20.005 (3) for the appropriation under s. 20.235 (1) (ke) shall be transferred from  
20 this appropriation to the appropriation account under s. 20.235 (1) (ke).

21 **SECTION 8.** 20.285 (1) (iz) of the statutes is amended to read:

22 20.285 (1) (iz) *General operations receipts.* All moneys received for or on  
23 account of the University of Wisconsin System, unless otherwise specifically  
24 appropriated, including all moneys received from the sale of real property prior to  
25 July 1, 2007, to be used for general operations.

1           **SECTION 9.** 20.285 (1) (j) of the statutes is amended to read:

2           20.285 (1) (j) *Gifts and donations.* All moneys received from gifts, grants,  
3           bequests and devises, except moneys received from the sale of real property before  
4           July 1, 2007, to be administered and expended in accordance with the terms of the  
5           gift, grant, bequest or devise to carry out the purposes for which made and received.

6           **SECTION 10.** 20.285 (1) (ka) of the statutes is amended to read:

7           20.285 (1) (ka) *Sale of real property.* All net proceeds from the sale of real  
8           property by the board under s. 36.34, 1969 stats., and s. 36.33, except net proceeds  
9           received before July 1, 2007, to be used for the purposes of s. 36.34, 1969 stats., and  
10          s. 36.33, including the expenses enumerated in s. 13.48 (2) (d) incurred in selling the  
11          real property under those sections.

12          **SECTION 11.** 23.15 (6) of the statutes is created to read:

13          23.15 (6) This section does not apply to property that is authorized to be sold  
14          under s. 16.848.

15          **SECTION 12.** 25.60 of the statutes is amended to read:

16          **25.60 Budget stabilization fund.** There is created a separate nonlapsible  
17          trust fund designated as the budget stabilization fund, consisting of moneys  
18          transferred to the fund from the general fund under ss. 13.48 (14) (c), 16.518 (3), and,  
19          16.72 (4) (b), and 16.848.

20          **SECTION 13.** 45.37 (10) (c) of the statutes is amended to read:

21          45.37 (10) (c) The Except where a sale occurs under s. 16.848, the department  
22          may manage, sell, lease or transfer property descending to the state pursuant to this  
23          section or conveyed to it by members, defend and prosecute all actions concerning it,  
24          pay all just claims against it, and do all other things necessary for the protection,  
25          preservation and management of such property. All expenditures necessary for the

1 execution of functions under this paragraph or sub. (11) shall be made from the  
2 appropriation in s. 20.485 (1) (h).

3 **SECTION 14.** 45.38 (2) (a) 1. of the statutes is amended to read:

4 45.38 (2) (a) 1. Without limitation by reason of any other provisions of the  
5 statutes except s. 16.848, the power to sell and to convey title in fee simple to a  
6 nonprofit corporation any land and any existing buildings thereon owned by, or  
7 owned by the state and held for, the department or of any of the institutions under  
8 the jurisdiction of the department for such consideration and upon such terms and  
9 conditions as in the judgment of the board are in the public interest.

10 **SECTION 15.** 46.03 (30) (a) of the statutes is amended to read:

11 46.03 (30) (a) To provide for an orderly reduction of state institutional primary  
12 psychiatric services the department may approve the institutes entering into  
13 contracts with county departments under s. 51.42 for providing primary psychiatric  
14 care. If excess capacity exists at state operated mental health institutes, the  
15 department shall, subject to s. 16.848, explore whether the possible sale or lease of  
16 such excess facilities may be sold or leased to a county department under s. 51.42.

17 **SECTION 16.** 46.035 (1) (a) of the statutes is amended to read:

18 46.035 (1) (a) The term "existing building" in relation to any conveyance, lease  
19 or sublease made under sub. (2) (a) 1., 2. and 3., (b), and (c) means all detention,  
20 treatment, administrative, recreational, infirmary, hospital, vocational and  
21 academic buildings; all dormitories and cottages; all storage facilities, heating  
22 plants, sewage disposal plants, and such other buildings, structures, facilities and  
23 permanent improvements as in the judgment of the secretary are needed or useful  
24 for the purposes of the department, and all equipment therefor and all improvements

1 and additions thereto which were erected, constructed or installed prior to the  
2 making of such conveyance, lease or sublease.

3 SECTION 17. 46.035 (1) (b) of the statutes is amended to read:

4 46.035 (1) (b) The term "new building" in relation to any conveyance, lease or  
5 sublease made under sub. (2) (a) ~~1., 2. and 3., (b), and (c)~~ means all detention,  
6 treatment, administrative, recreational, infirmary, hospital, vocational and  
7 academic buildings; all dormitories and cottages; all storage facilities, heating  
8 plants, sewage disposal plants, and such other buildings, structures, facilities and  
9 permanent improvements as in the judgment of the secretary are needed or useful  
10 for the purposes of the department, and all equipment therefor and all improvements  
11 and additions thereto which are erected, constructed or installed after the making  
12 of such conveyance, lease or sublease.

13 SECTION 18. 46.035 (2) (intro.) of the statutes is repealed.

14 SECTION 19. 46.035 (2) (a) of the statutes is renumbered 46.035 (2), and 46.035  
15 (2) (intro.), (a) and (c) to (j), as renumbered, are amended to read:

16 46.035 (2) (intro.) In order to provide new buildings and to enable the  
17 construction and financing thereof, to refinance indebtedness hereafter created by  
18 a nonprofit corporation for the purpose of providing a new building or buildings or  
19 additions or improvements thereto which are located on land owned by, or owned by  
20 the state and held for, the department or on lands of the institutions under the  
21 jurisdiction of the department or by the nonprofit corporation, or for any one or more  
22 of said purposes, but for no other purpose unless authorized by law, the department  
23 has, subject to s. 16.848, the following powers and duties:

24 (a) Without limitation by reason of any other provisions of the statutes except  
25 s. 16.848, the power to sell and to convey title in fee simple to a nonprofit corporation

1 any land and any existing buildings thereon owned by, or owned by the state and held  
2 for, the department or of any of the institutions under the jurisdiction of the  
3 department for such consideration and upon such terms and conditions as in the  
4 judgment of the secretary are in the public interest.

5 (c) The power to lease or sublease from such nonprofit corporation, and to make  
6 available for public use, any such land and existing buildings conveyed or leased to  
7 such nonprofit corporation under ~~subds. 1. and 2. pars. (a) and (b)~~, and any new  
8 buildings erected upon such land or upon any other land owned by such nonprofit  
9 corporation, upon such terms, conditions and rentals, subject to available  
10 appropriations, as in the judgment of the secretary are in the public interest. With  
11 respect to any property conveyed to such nonprofit corporation under ~~subd. 1. par.~~  
12 (a), such lease from such nonprofit corporation may be subject or subordinated to one  
13 or more mortgages of such property granted by such nonprofit corporation.

14 (d) The duty to submit the plans and specifications for all such new buildings  
15 and all conveyances, leases and subleases made under this section subsection to the  
16 department of administration and the governor for written approval before they are  
17 finally adopted, executed and delivered.

18 (e) The power to pledge and assign all or any part of the revenues derived from  
19 the operation of such new buildings as security for the payment of rentals due and  
20 to become due under any lease or sublease of such new buildings under ~~subd. 3 par.~~  
21 (c).

22 (f) The power to covenant and agree in any lease or sublease of such new  
23 buildings made under ~~subd. 3. par. (c)~~ to impose fees, rentals or other charges for the  
24 use and occupancy or other operation of such new buildings in an amount calculated



1 to produce net revenues sufficient to pay the rentals due and to become due under  
2 such lease or sublease.

3 (g) The power to apply all or any part of the revenues derived from the operation  
4 of existing buildings to the payment of rentals due and to become due under any lease  
5 or sublease made under ~~subd. 3~~ par. (c).

6 (h) The power to pledge and assign all or any part of the revenues derived from  
7 the operation of existing buildings to the payment of rentals due and to become due  
8 under any lease or sublease made under ~~subd. 3~~ par. (c).

9 (i) The power to covenant and agree in any lease or sublease made under ~~subd.~~  
10 ~~3. par. (c)~~ to impose fees, rentals or other charges for the use and occupancy or other  
11 operation of existing buildings in an amount calculated to produce net revenues  
12 sufficient to pay the rentals due and to become due under such lease or sublease.

13 (j) The power and duty, upon receipt of notice of any assignment by any such  
14 nonprofit corporation of any lease or sublease made under ~~subd. 3. par. (c)~~, or of any  
15 of its rights under any such sublease, to recognize and give effect to such assignment,  
16 and to pay to the assignee thereof rentals or other payments then due or which may  
17 become due under any such lease or sublease which has been so assigned by such  
18 nonprofit corporation.

19 SECTION 20. 46.035 (2) (b) of the statutes is renumbered 46.035 (3) and  
20 amended to read:

21 46.035 (3) The state ~~shall be~~ is liable for accrued rentals and for any other  
22 default under any lease or sublease made under ~~par. (a) 3. sub. (2) (c)~~, and may be  
23 sued therefor on contract as in other contract actions pursuant to ch. 775, except that  
24 it ~~shall not be~~ is not necessary for the lessor under any such lease or sublease or any  
25 assignee of such lessor or any person or other legal entity proceeding on behalf of such

1 lessor to file any claim with the legislature prior to the commencement of any such  
2 action.

3 **SECTION 21.** 46.035 (2) (c) of the statutes is renumbered 46.035 (4).

4 **SECTION 22.** 46.035 (2) (d) of the statutes is repealed.

5 **SECTION 23.** 46.035 (2) (e) of the statutes is renumbered 46.035 (5) and amended  
6 to read:

7 46.035 (5) All laws, except s. 16.848 and ch. 150, ~~conflicting that conflict~~ with  
8 any provisions of this section, are, insofar as they conflict with this section and no  
9 further, superseded by this section.

10 **SECTION 24.** 46.06 (intro.) of the statutes is created to read:

11 **46.06 Lands; condemnation, easements, leases, sales, purchases.**  
12 (intro.) Subject to s. 16.848:

13 **SECTION 25.** 46.09 (intro.) of the statutes is created to read:

14 **46.09 Purchases, bills, audits, payments.** (intro.) Subject to s. 16.848:

15 **SECTION 26.** 84.09 (9) of the statutes is created to read:

16 84.09 (9) Subsections (5), (5m), and (6) do not apply to state surplus property  
17 that is sold under s. 16.848.

18 **SECTION 27.** 301.235 (2) (a) (intro.) of the statutes is amended to read:

19 301.235 (2) (a) (intro.) In order to provide new buildings and to enable the  
20 construction and financing thereof, to refinance indebtedness created by a nonprofit  
21 corporation for the purpose of providing a new building or buildings or additions or  
22 improvements thereto which are located on land owned by, or owned by the state and  
23 held for, the department or on lands of the institutions under the jurisdiction of the  
24 department or owned by the nonprofit corporation, or for any one or more of those

1 purposes, but for no other purpose unless authorized by law, the department, subject  
2 to s. 16.848, has the following powers and duties:

3 **SECTION 28.** 301.235 (2) (a) 1. of the statutes is amended to read:

4 301.235 (2) (a) 1. Without limitation by reason of any other statute except s.  
5 16.848, the power to sell and to convey title in fee simple to a nonprofit corporation  
6 any land and any existing buildings thereon owned by, or owned by the state and held  
7 for, the department or any of the institutions under the jurisdiction of the  
8 department for such consideration and upon such terms and conditions as in the  
9 judgment of the secretary are in the public interest.

10 **SECTION 29.** 301.24 (4) of the statutes is amended to read:

11 301.24 (4) SALES. The Except where a sale occurs under s. 16.848, the  
12 department, with the approval of the building commission, may sell and convey such  
13 lands under the jurisdiction of the department as the secretary deems to be in excess  
14 of the present or future requirements of the department for either the operation of  
15 its facilities or programs, for the maintenance of buffer zones adjacent to its facilities  
16 or for other public purposes. The proceeds of the sales shall be credited to the state  
17 building trust fund.

18 **SECTION 30.** 301.24 (4m) of the statutes is amended to read:

19 301.24 (4m) CORRECTIONAL INSTITUTION PROPERTY DISPOSITION. In addition to  
20 any other requirements under this section, except where a sale occurs under s.  
21 16.848, the department may sell or otherwise transfer or dispose of the property  
22 acquired for the correctional institution under s. 46.05 (1o), 1985 stats., only if the  
23 sale, transfer or disposition is approved by the joint committee on finance. The  
24 department shall submit a plan for any such proposed sale, transfer or disposition  
25 to the committee.

1           **SECTION 31.** 301.25 of the statutes is amended to read:

2           **301.25 Sewer system at Taycheedah Correctional Institution.** The  
3 department, with the approval of the governor, may enter into an agreement  
4 containing terms, conditions and covenants approved by the building commission,  
5 to participate in the construction of a sanitary sewer system in the area adjacent to  
6 the Taycheedah Correctional Institution in the town of Taycheedah, Fond du Lac  
7 County; to connect the sewer system of the Taycheedah Correctional Institution  
8 thereto; to pay sewage disposal charges; and to grant easements or, subject to s.  
9 16.848, convey land to meet construction requirements.

10          **SECTION 32.** 302.04 of the statutes is amended to read:

11          **302.04 Duties of warden and superintendents.** The Except as provided in  
12 s. 16.848, the warden or the superintendent of each state prison shall have charge  
13 and custody of the prison and all lands, belongings, furniture, implements, stock and  
14 provisions and every other species of property within the same or pertaining thereto.  
15 The warden or superintendent shall enforce the ~~regulations~~ rules of the department  
16 for the administration of the prison and for the government of its officers and the  
17 discipline of its inmates.

18          **SECTION 33.** 560.9810 (5) of the statutes is created to read:

19          **560.9810 (5) NONAPPLICATION.** This section does not apply to property that is  
20 authorized to be sold under s. 16.848.

21          **SECTION 9101. Nonstatutory provisions; administration.**

22          **(1) SALE OF CERTAIN STATE PROPERTY.**

23          **(a) 1.** No later than July 1, 2006, the secretary of administration shall review  
24 all holdings of state-owned real property for potential sale, except as provided in  
25 subdivision 2.

1           2. Subdivision 1. does not apply to any property, facility, or institution the  
2       closure or sale of which is not authorized under section 16.848 of the statutes, as  
3       created by this act.

4           (b) No later than October 1, 2006, the secretary of administration shall submit  
5       a report to the secretary of the building commission containing an inventory of his  
6       or her recommendations to offer specified state properties for sale under section  
7       16.848 of the statutes, as created by this act, and the reasons therefor. A property  
8       may be included in the inventory with or without approval of the state agency having  
9       jurisdiction of the property. If, on or before June 30, 2007, the building commission  
10      votes to approve the sale of any property included in the inventory, the department  
11      of administration may offer the property for sale under section 16.848 of the statutes,  
12      as created by this act.

13           (c) This subsection does not apply after June 30, 2007.

14           **SECTION 9152. Nonstatutory provisions; University of Wisconsin**  
15      **System.**

16           (1) **SALE OF REAL PROPERTY.** If the Board of Regents of the University of  
17      Wisconsin System sells any real property under its jurisdiction prior to July 1, 2007,  
18      the board shall credit the net proceeds of the sale to the appropriation account under  
19      section 20.285 (1) (iz) of the statutes, except that if there is any outstanding public  
20      debt used to finance the acquisition, construction, or improvement of any property  
21      that is sold, the board shall deposit a sufficient amount of the net proceeds from the  
22      sale of the property in the bond security and redemption fund under section 18.09  
23      of the statutes to repay the principal and pay the interest on the debt, and any  
24      premium due upon refunding any of the debt. If the property was acquired,  
25      constructed, or improved with federal financial assistance, the board shall pay to the

1 federal government any of the net proceeds required by federal law. If the property  
2 was acquired by gift or grant or acquired with gift or grant funds, the board shall  
3 adhere to any restriction governing use of the proceeds. Except as required under  
4 ss. 13.48 (14) (e), 20.395 (9) (qd), and 51.06 (6), if there is no such debt outstanding,  
5 there are no moneys payable to the federal government, and there is no restriction  
6 governing use of the proceeds.

(END)



2005

INS 16-6  
DDD

LRB -1513, 7  
JN2: : :

Nonstat File Sequence:

\$\$\$ CHANGE

1. In the component bar:

For the action phrase, execute: ..... create → action: → \*NS: → \$change

For the budget action phrase, execute: .... create → action: → \*NS: → 92XX

For the text, execute: ..... create → text: → \*NS: → \$change

2. Nonstatutory subunits are numbered automatically. Fill in the SECTION # or subsection # only if a "frozen" number is needed. Below, for the budget, fill in the 9200 department code.

SECTION # W [92 55]. Appropriation changes; ....

..... other ① .....

( #1 ) ( W ) TRANSFER FROM GENERAL FUND TO .....

BUDGET STABILIZATION FUND .....

In the schedule under section

20.005 (3) of the statutes for the appropriation to the

There is transferred  
\$36,000,000 from the general fund to the budget  
stabilization fund;

under section 20. .... ( ) ( ) of the statutes, as affected by the acts of

2005, the dollar amount is ..... creased by \$ ..... for fis-

cal year 2005-06 and the dollar amount is ..... creased

by \$ ..... for fiscal year 2006-07 [to ..... crease funding

for the [purpose] [purposes] for which the appropriation is made] [to ..... crease fund-

ing for ..... ]\*.

\* Use the 2nd alternative if the purpose of the increase or decrease is more limited than the purpose or purposes of the appropriation as currently shown in the text of ch. 20, stats.



State of Wisconsin  
2005 - 2006 LEGISLATURE

LRB-1513/7 8  
JTK:cjs&kjf/ag

Wanted for: 2/4 11:30 AM

DOA:.....Kraus, BB0352 - Sale of state property

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

Don't Gen

1 AN ACT ...; relating to: sale of certain state properties.

*Analysis by the Legislative Reference Bureau*

**STATE GOVERNMENT**

**STATE FINANCE**

This bill transfers \$36,000,000 from the general fund to the budget stabilization fund.

**OTHER STATE GOVERNMENT**

Currently, state agencies having jurisdiction over state properties are authorized to sell the properties under various conditions and limitations, if the operation of the properties is not specifically provided for by law. The proceeds of any sales are credited or deposited in various ways as provided by law.

Currently, the Building Commission may sell or lease all or part of a state-owned building or structure or state-owned land if such authority is not provided to a state agency by law. The proceeds of any such sales or leases, after retirement of any outstanding debt on the affected properties, are paid into the budget stabilization fund. In addition, the Building Commission may sell certain surplus state land, subject in most cases to the consent of the Joint Committee on Finance, and may sell certain state-owned land in the vicinity of the state capitol.

This bill directs the secretary of administration, no later than July 1, 2006, to review all holdings state-owned real property for potential sale, except property under the jurisdiction of the Board of Regents of the UW System, property under the



jurisdiction of DNR (except central or district office facilities), and certain other specified property. Potential sales may include surplus or nonsurplus property, and may be evaluated with or without the approval of the state agency that administers the affected property.

No later than October 1, 2006, the secretary of administration must submit a report to the secretary of the Building Commission containing an inventory of the secretary's recommendations to offer specified state properties for sale and giving the reasons therefor. Under the bill, if the Building Commission votes to approve the sale of any property included in the inventory on or before June 30, 2007, DOA may offer the property for sale and may sell the property if DOA believes that the sale is in the best interests of the state, subject to certain exceptions. Under the bill, the sale price need not reflect fair market value.

Any sale of state property by DOA may be either on the basis of public bids or negotiated prices. The bill does not authorize DOA to close or sell any facility or institution the operation of which is provided for by law. The authority granted by the bill does not apply to property that is leased by the state during the term of the lease without consent of the lessee. With certain exceptions, all net proceeds of property sales, after retirement of any outstanding debt on the affected properties and after any required reimbursement of the federal government for any federal financial assistance used to acquire, construct, or improve the properties, are deposited in the general fund.

Currently, the proceeds of sales of real property by the Board of Regents of the University of Wisconsin System are appropriated for various purposes. This bill provides that, for proceeds received from these sales before July 1, 2007, unless otherwise required for properties that are encumbered, acquired, constructed, or improved with federal financial assistance, or restricted by the terms of a gift or grant, the board shall use the net proceeds for the operation of the UW System.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1       **SECTION 1.** 13.101 (13) of the statutes is repealed.

2       **SECTION 2.** 13.48 (14) (a) of the statutes is amended to read:

3       13.48 (14) (a) In this subsection, "agency" has the meaning given for "state  
4       agency" in s. 20.001 (1), except that prior to July 1, 2007, the term does not include  
5       the Board of Regents of the University of Wisconsin System.

6       **SECTION 3.** 13.48 (14) (d) 4. of the statutes is amended to read:

1           13.48 (14) (d) 4. If the commission proposes to sell or transfer a parcel of surplus  
2     land having a fair market value of at least \$20,000, the commission shall notify the  
3     joint committee on finance in writing of its proposed action. If the cochairpersons of  
4     the committee do not notify the commission that the committee has scheduled a  
5     meeting for the purpose of reviewing the proposed sale or transfer within 14 working  
6     days after the date of the commission's notification, the parcel may be sold or  
7     transferred by the commission. If, within 14 working days after the date of the  
8     commission's notification, the cochairpersons of the committee notify the  
9     commission that the committee has scheduled a meeting for the purpose of reviewing  
10    the proposed sale or transfer, the parcel may be sold or transferred under this  
11    subdivision only upon approval of the committee. This subdivision does not apply  
12   to surplus land that is authorized to be sold under s. 16.848.

13           SECTION 4. 13.48 (22) of the statutes is amended to read:

14           13.48 (22) SALE OR LEASE OF CAPITOL AREA LANDS. The building commission may  
15    lease or resell lands acquired in the capitol planning area for public or private  
16    redevelopment and may set such conditions of sale or lease as it deems necessary to  
17    ensure development compatible with the needs of the community and the state. This  
18   subsection does not apply to lands that are authorized to be sold under s. 16.848.

19           SECTION 5. 16.848 of the statutes is created to read:

20           16.848 Sale of certain state property. (1) Except as provided in sub. (2) and  
21    subject to sub. (3), the department may sell any state-owned real property, if the  
22    department determines that the sale is in the best interest of the state. The sale may  
23    be either on the basis of public bids, with the department reserving the right to reject  
24    any bid in the interest of the state, or negotiated prices.

1           (2) (a) Subsection (1) does not authorize the closure or sale of any facility or  
2 institution the operation of which is provided for by law.

3           (b) Subsection (1) does not apply to property under the jurisdiction of the board  
4 of regents of the University of Wisconsin System.

5           (c) Subsection (1) does not apply to property sold by the department under s.  
6 16.98 (3).

7           (d) Subsection (1) does not apply to lands under the jurisdiction of the board  
8 of commissioners of public lands.

9           (e) Subsection (1) does not apply to property under the jurisdiction of the  
10 department of natural resources, except central or district office facilities.

11           (f) Subsection (1) does not apply to lands acquired with revenues collected  
12 under s. 70.58.

13           (g) Subsection (1) does not apply to property that is subject to sale by the  
14 department of veterans affairs under s. 45.72 (7).

15           (h) The department shall not sell any property under this section that is leased  
16 by the state until the lease expires or the lease is modified, renewed, or extended,  
17 whichever first occurs, without consent of the lessee.

18           (3) The department shall not sell any state property under sub. (1) unless the  
19 sale is approved by the building commission under 2005 Wisconsin Act .... (this act),  
20 section 9101 (1) (b).

21           (4) Except as provided in s. 13.48 (14) (e), if there is any outstanding public debt  
22 used to finance the acquisition, construction, or improvement of any property that  
23 is sold under sub. (1), the department shall deposit a sufficient amount of the net  
24 proceeds from the sale of the property in the bond security and redemption fund  
25 under s. 18.09 to repay the principal and pay the interest on the debt, and any

1 premium due upon refunding any of the debt. If the property was acquired,  
2 constructed, or improved with federal financial assistance, the department shall pay  
3 to the federal government any of the net proceeds required by federal law. If the  
4 property was acquired by gift or grant or acquired with gift or grant funds, the  
5 department shall adhere to any restriction governing use of the proceeds. Except as  
6 required under ss. 13.48 (14) (e), 20.395 (9) (qd), and 51.06 (6), if there is no such debt  
7 outstanding, there are no moneys payable to the federal government, and there is no  
8 restriction governing use of the proceeds, and if the net proceeds exceed the amount  
9 required to be deposited, paid, or used for another purpose under this subsection, the  
10 department shall deposit the net proceeds or remaining net proceeds in the general  
11 fund.

12 ~~(5) The department shall transfer all proceeds deposited in the general fund~~  
13 ~~under sub. (4) to the budget stabilization fund.~~

14 SECTION 6. 20.285 (1) (ga) of the statutes is amended to read:

15 20.285 (1) (ga) *Surplus auxiliary funds.* Any moneys in any program revenue  
16 appropriation under this section which the board of regents determines to be  
17 surplus, except moneys derived from the sale of real property received before July  
18 1, 2007, to be used for the construction or acquisition of university housing facilities,  
19 commons, dining facilities, field house or other buildings, or for other permanent  
20 improvements, purchase of land, equipment for such buildings or investment in  
21 bonds or securities, or for the payment of debt service costs, as provided in s. 36.06  
22 (6) and (7), 1969 stats., and s. 37.02 (3), 1969 stats., as the board of regents  
23 determines. Separate accounts shall be maintained for each activity of each unit  
24 with funds in this appropriation.

25 SECTION 7. 20.285 (1) (h) of the statutes is amended to read:

1       20.285 (1) (h) *Auxiliary enterprises.* Except as provided under subs. (4) (g) and  
2       (gm), (5) (i), and (6) (g), all moneys received by the University of Wisconsin System  
3       for or on account of any housing facility, commons, dining halls, cafeteria, student  
4       union, athletic activities, stationery stand or bookstore, parking facilities or car fleet,  
5       or such other auxiliary enterprise activities as the board designates and including  
6       such fee revenues as allocated by the board and including such moneys received  
7       under leases entered into previously with nonprofit building corporations as the  
8       board designates to be receipts under this paragraph, but not including any moneys  
9       received from the sale of real property before July 1, 2007, to be used for the  
10      operation, maintenance, and capital expenditures of activities specified in this  
11      paragraph, including the transfer of funds to pars. (kd), (ke), and s. 20.235 (1) (ke),  
12      and to nonprofit building corporations to be used by the corporations for the  
13      retirement of existing indebtedness and such other payments as may be required  
14      under existing loan agreements, for optional rental payments in addition to the  
15      mandatory rental payments under the leases and subleases in connection with the  
16      providing of facilities for such activities, and for grants under ss. 36.25 (14) and  
17      36.34. A separate account shall be maintained for each campus and extension. Upon  
18      the request of the extension or any campus within the system, the board of regents  
19      may transfer surplus moneys appropriated under this paragraph to the  
20      appropriation account under par. (kp). Annually, the amount in the schedule under  
21      s. 20.005 (3) for the appropriation under s. 20.235 (1) (ke) shall be transferred from  
22      this appropriation to the appropriation account under s. 20.235 (1) (ke).

23      **SECTION 8.** 20.285 (1) (iz) of the statutes is amended to read:

24      20.285 (1) (iz) *General operations receipts.* All moneys received for or on  
25      account of the University of Wisconsin System, unless otherwise specifically

1     appropriated, including all moneys received from the sale of real property prior to  
2     July 1, 2007, to be used for general operations.

3             **SECTION 9.** 20.285 (1) (j) of the statutes is amended to read:

4             20.285 (1) (j) *Gifts and donations.* All moneys received from gifts, grants,  
5     bequests and devises, except moneys received from the sale of real property before  
6     July 1, 2007, to be administered and expended in accordance with the terms of the  
7     gift, grant, bequest or devise to carry out the purposes for which made and received.

8             **SECTION 10.** 20.285 (1) (ka) of the statutes is amended to read:

9             20.285 (1) (ka) *Sale of real property.* All net proceeds from the sale of real  
10    property by the board under s. 36.34, 1969 stats., and s. 36.33, except net proceeds  
11    received before July 1, 2007, to be used for the purposes of s. 36.34, 1969 stats., and  
12    s. 36.33, including the expenses enumerated in s. 13.48 (2) (d) incurred in selling the  
13    real property under those sections.

14            **SECTION 11.** 23.15 (6) of the statutes is created to read:

15            23.15 (6) This section does not apply to property that is authorized to be sold  
16    under s. 16.848.

17            **SECTION 12.** 25.60 of the statutes is amended to read:

18            **25.60 Budget stabilization fund.** There is created a separate nonlapsible  
19    trust fund designated as the budget stabilization fund, consisting of moneys  
20    transferred to the fund from the general fund under ss. 13.48 (14) (c), 16.518 (3), and,  
21    16.72 (4) (b), and 16.848.

22            **SECTION 13.** 45.37 (10) (c) of the statutes is amended to read:

23            45.37 (10) (c) ~~The~~ Except where a sale occurs under s. 16.848, the department  
24    may manage, sell, lease or transfer property descending to the state pursuant to this  
25    section or conveyed to it by members, defend and prosecute all actions concerning it,

1 pay all just claims against it, and do all other things necessary for the protection,  
2 preservation and management of such property. All expenditures necessary for the  
3 execution of functions under this paragraph or sub. (11) shall be made from the  
4 appropriation in s. 20.485 (1) (h).

5 **SECTION 14.** 45.38 (2) (a) 1. of the statutes is amended to read:

6 45.38 (2) (a) 1. Without limitation by reason of any other provisions of the  
7 statutes except s. 16.848, the power to sell and to convey title in fee simple to a  
8 nonprofit corporation any land and any existing buildings thereon owned by, or  
9 owned by the state and held for, the department or of any of the institutions under  
10 the jurisdiction of the department for such consideration and upon such terms and  
11 conditions as in the judgment of the board are in the public interest.

12 **SECTION 15.** 46.03 (30) (a) of the statutes is amended to read:

13 46.03 (30) (a) To provide for an orderly reduction of state institutional primary  
14 psychiatric services the department may approve the institutes entering into  
15 contracts with county departments under s. 51.42 for providing primary psychiatric  
16 care. If excess capacity exists at state operated mental health institutes, the  
17 department shall, subject to s. 16.848, explore ~~whether the possible sale or lease of~~  
18 ~~such excess facilities may be sold or leased~~ to a county department under s. 51.42.

19 **SECTION 16.** 46.035 (1) (a) of the statutes is amended to read:

20 46.035 (1) (a) The term "existing building" in relation to any conveyance, lease  
21 or sublease made under sub. (2) (a) 1., 2. and 3., (b), and (c) means all detention,  
22 treatment, administrative, recreational, infirmary, hospital, vocational and  
23 academic buildings; all dormitories and cottages; all storage facilities, heating  
24 plants, sewage disposal plants, and such other buildings, structures, facilities and  
25 permanent improvements as in the judgment of the secretary are needed or useful

1 for the purposes of the department, and all equipment therefor and all improvements  
2 and additions thereto which were erected, constructed or installed prior to the  
3 making of such conveyance, lease or sublease.

4 **SECTION 17.** 46.035 (1) (b) of the statutes is amended to read:

5 46.035 (1) (b) The term "new building" in relation to any conveyance, lease or  
6 sublease made under sub. (2) (a) 1., 2. and 3., (b), and (c) means all detention,  
7 treatment, administrative, recreational, infirmary, hospital, vocational and  
8 academic buildings; all dormitories and cottages; all storage facilities, heating  
9 plants, sewage disposal plants, and such other buildings, structures, facilities and  
10 permanent improvements as in the judgment of the secretary are needed or useful  
11 for the purposes of the department, and all equipment therefor and all improvements  
12 and additions thereto which are erected, constructed or installed after the making  
13 of such conveyance, lease or sublease.

14 **SECTION 18.** 46.035 (2) (intro.) of the statutes is repealed.

15 **SECTION 19.** 46.035 (2) (a) of the statutes is renumbered 46.035 (2), and 46.035  
16 (2) (intro.), (a) and (c) to (j), as renumbered, are amended to read:

17 46.035 (2) (intro.) In order to provide new buildings and to enable the  
18 construction and financing thereof, to refinance indebtedness hereafter created by  
19 a nonprofit corporation for the purpose of providing a new building or buildings or  
20 additions or improvements thereto which are located on land owned by, or owned by  
21 the state and held for, the department or on lands of the institutions under the  
22 jurisdiction of the department or by the nonprofit corporation, or for any one or more  
23 of said purposes, but for no other purpose unless authorized by law, the department  
24 has, subject to s. 16.848, the following powers and duties:



1           (a) Without limitation by reason of any other provisions of the statutes except  
2     s. 16.848, the power to sell and to convey title in fee simple to a nonprofit corporation  
3     any land and any existing buildings thereon owned by, or owned by the state and held  
4     for, the department or of any of the institutions under the jurisdiction of the  
5     department for such consideration and upon such terms and conditions as in the  
6     judgment of the secretary are in the public interest.

7           (c) The power to lease or sublease from such nonprofit corporation, and to make  
8     available for public use, any such land and existing buildings conveyed or leased to  
9     such nonprofit corporation under subds. 1. and 2. pars. (a) and (b), and any new  
10    buildings erected upon such land or upon any other land owned by such nonprofit  
11    corporation, upon such terms, conditions and rentals, subject to available  
12    appropriations, as in the judgment of the secretary are in the public interest. With  
13    respect to any property conveyed to such nonprofit corporation under subd. 1. par.  
14    (a), such lease from such nonprofit corporation may be subject or subordinated to one  
15    or more mortgages of such property granted by such nonprofit corporation.

16          (d) The duty to submit the plans and specifications for all such new buildings  
17    and all conveyances, leases and subleases made under this section subsection to the  
18    department of administration and the governor for written approval before they are  
19    finally adopted, executed and delivered.

20          (e) The power to pledge and assign all or any part of the revenues derived from  
21    the operation of such new buildings as security for the payment of rentals due and  
22    to become due under any lease or sublease of such new buildings under subd. 3 par.  
23    (c).

24          (f) The power to covenant and agree in any lease or sublease of such new  
25    buildings made under subd. 3. par. (c) to impose fees, rentals or other charges for the

1 use and occupancy or other operation of such new buildings in an amount calculated  
2 to produce net revenues sufficient to pay the rentals due and to become due under  
3 such lease or sublease.

4 (g) The power to apply all or any part of the revenues derived from the operation  
5 of existing buildings to the payment of rentals due and to become due under any lease  
6 or sublease made under ~~subd. 3~~ par. (c).

7 (h) The power to pledge and assign all or any part of the revenues derived from  
8 the operation of existing buildings to the payment of rentals due and to become due  
9 under any lease or sublease made under ~~subd. 3~~ par. (c).

10 (i) The power to covenant and agree in any lease or sublease made under ~~subd.~~  
11 ~~3. par. (c)~~ to impose fees, rentals or other charges for the use and occupancy or other  
12 operation of existing buildings in an amount calculated to produce net revenues  
13 sufficient to pay the rentals due and to become due under such lease or sublease.

14 (j) The power and duty, upon receipt of notice of any assignment by any such  
15 nonprofit corporation of any lease or sublease made under ~~subd. 3. par. (c)~~, or of any  
16 of its rights under any such sublease, to recognize and give effect to such assignment,  
17 and to pay to the assignee thereof rentals or other payments then due or which may  
18 become due under any such lease or sublease which has been so assigned by such  
19 nonprofit corporation.

20 **SECTION 20.** 46.035 (2) (b) of the statutes is renumbered 46.035 (3) and  
21 amended to read:

22 46.035 (3) The state ~~shall be~~ is liable for accrued rentals and for any other  
23 default under any lease or sublease made under ~~par. (a) 3. sub. (2) (c)~~, and may be  
24 sued therefor on contract as in other contract actions pursuant to ch. 775, except that  
25 it ~~shall not be~~ is not necessary for the lessor under any such lease or sublease or any

1 assignee of such lessor or any person or other legal entity proceeding on behalf of such  
2 lessor to file any claim with the legislature prior to the commencement of any such  
3 action.

4 **SECTION 21.** 46.035 (2) (c) of the statutes is renumbered 46.035 (4).

5 **SECTION 22.** 46.035 (2) (d) of the statutes is repealed.

6 **SECTION 23.** 46.035 (2) (e) of the statutes is renumbered 46.035 (5) and amended  
7 to read:

8 46.035 (5) All laws, except s. 16.848 and ch. 150, ~~conflicting that conflict~~ with  
9 any provisions of this section, are, insofar as they conflict with this section and no  
10 further, superseded by this section.

11 **SECTION 24.** 46.06 (intro.) of the statutes is created to read:

12 **46.06 Lands; condemnation, easements, leases, sales, purchases.**

13 (intro.) Subject to s. 16.848:

14 **SECTION 25.** 46.09 (intro.) of the statutes is created to read:

15 **46.09 Purchases, bills, audits, payments.** (intro.) Subject to s. 16.848:

16 **SECTION 26.** 84.09 (9) of the statutes is created to read:

17 84.09 (9) Subsections (5), (5m), and (6) do not apply to state surplus property  
18 that is sold under s. 16.848.

19 **SECTION 27.** 301.235 (2) (a) (intro.) of the statutes is amended to read:

20 301.235 (2) (a) (intro.) In order to provide new buildings and to enable the  
21 construction and financing thereof, to refinance indebtedness created by a nonprofit  
22 corporation for the purpose of providing a new building or buildings or additions or  
23 improvements thereto which are located on land owned by, or owned by the state and  
24 held for, the department or on lands of the institutions under the jurisdiction of the  
25 department or owned by the nonprofit corporation, or for any one or more of those

1 purposes, but for no other purpose unless authorized by law, the department, subject  
2 to s. 16.848, has the following powers and duties:

3 SECTION 28. 301.235 (2) (a) 1. of the statutes is amended to read:

4 301.235 (2) (a) 1. Without limitation by reason of any other statute except s.  
5 16.848, the power to sell and to convey title in fee simple to a nonprofit corporation  
6 any land and any existing buildings thereon owned by, or owned by the state and held  
7 for, the department or any of the institutions under the jurisdiction of the  
8 department for such consideration and upon such terms and conditions as in the  
9 judgment of the secretary are in the public interest.

10 SECTION 29. 301.24 (4) of the statutes is amended to read:

11 301.24 (4) SALES. The Except where a sale occurs under s. 16.848, the  
12 department, with the approval of the building commission, may sell and convey such  
13 lands under the jurisdiction of the department as the secretary deems to be in excess  
14 of the present or future requirements of the department for either the operation of  
15 its facilities or programs, for the maintenance of buffer zones adjacent to its facilities  
16 or for other public purposes. The proceeds of the sales shall be credited to the state  
17 building trust fund.

18 SECTION 30. 301.24 (4m) of the statutes is amended to read:

19 301.24 (4m) CORRECTIONAL INSTITUTION PROPERTY DISPOSITION. In addition to  
20 any other requirements under this section, except where a sale occurs under s.  
21 16.848, the department may sell or otherwise transfer or dispose of the property  
22 acquired for the correctional institution under s. 46.05 (1o), 1985 stats., only if the  
23 sale, transfer or disposition is approved by the joint committee on finance. The  
24 department shall submit a plan for any such proposed sale, transfer or disposition  
25 to the committee.

1       **SECTION 31.** 301.25 of the statutes is amended to read:

2       **301.25 Sewer system at Taycheedah Correctional Institution.** The  
3 department, with the approval of the governor, may enter into an agreement  
4 containing terms, conditions and covenants approved by the building commission,  
5 to participate in the construction of a sanitary sewer system in the area adjacent to  
6 the Taycheedah Correctional Institution in the town of Taycheedah, Fond du Lac  
7 County; to connect the sewer system of the Taycheedah Correctional Institution  
8 thereto; to pay sewage disposal charges; and to grant easements or, subject to s.  
9 16.848, convey land to meet construction requirements.

10       **SECTION 32.** 302.04 of the statutes is amended to read:

11       **302.04 Duties of warden and superintendents.** ~~The~~ Except as provided in  
12 s. 16.848, the warden or the superintendent of each state prison shall have charge  
13 and custody of the prison and all lands, belongings, furniture, implements, stock and  
14 provisions and every other species of property within the same or pertaining thereto.  
15 The warden or superintendent shall enforce the ~~regulations~~ rules of the department  
16 for the administration of the prison and for the government of its officers and the  
17 discipline of its inmates.

18       **SECTION 33.** 560.9810 (5) of the statutes is created to read:

19       **560.9810 (5) NONAPPLICATION.** This section does not apply to property that is  
20 authorized to be sold under s. 16.848.

21       **SECTION 9101. Nonstatutory provisions; administration.**

22       **(1) SALE OF CERTAIN STATE PROPERTY.**

23       **(a) 1.** No later than July 1, 2006, the secretary of administration shall review  
24 all holdings of state-owned real property for potential sale, except as provided in  
25 subdivision 2.

1           2. Subdivision 1. does not apply to any property, facility, or institution the  
2   closure or sale of which is not authorized under section 16.848 of the statutes, as  
3   created by this act.

4           (b) No later than October 1, 2006, the secretary of administration shall submit  
5   a report to the secretary of the building commission containing an inventory of his  
6   or her recommendations to offer specified state properties for sale under section  
7   16.848 of the statutes, as created by this act, and the reasons therefor. A property  
8   may be included in the inventory with or without approval of the state agency having  
9   jurisdiction of the property. If, on or before June 30, 2007, the building commission  
10   votes to approve the sale of any property included in the inventory, the department  
11   of administration may offer the property for sale under section 16.848 of the statutes,  
12   as created by this act.

13           (c) This subsection does not apply after June 30, 2007.

14           **SECTION 9152. Nonstatutory provisions; University of Wisconsin**  
15   **System.**

16           (1) SALE OF REAL PROPERTY. If the Board of Regents of the University of  
17   Wisconsin System sells any real property under its jurisdiction prior to July 1, 2007,  
18   the board shall credit the net proceeds of the sale to the appropriation account under  
19   section 20.285 (1) (iz) of the statutes, except that if there is any outstanding public  
20   debt used to finance the acquisition, construction, or improvement of any property  
21   that is sold, the board shall deposit a sufficient amount of the net proceeds from the  
22   sale of the property in the bond security and redemption fund under section 18.09  
23   of the statutes to repay the principal and pay the interest on the debt, and any  
24   premium due upon refunding any of the debt. If the property was acquired,  
25   constructed, or improved with federal financial assistance, the board shall pay to the

1 federal government any of the net proceeds required by federal law. If the property  
2 was acquired by gift or grant or acquired with gift or grant funds, the board shall  
3 adhere to any restriction governing use of the proceeds. Except as required under  
4 ss. 13.48 (14) (e), 20.395 (9) (qd), and 51.06 (6), if there is no such debt outstanding,  
5 there are no moneys payable to the federal government, and there is no restriction  
6 governing use of the proceeds.

7 **SECTION 9255. Appropriation changes; other.**

8 (1) TRANSFER FROM GENERAL FUND TO BUDGET STABILIZATION FUND. There is  
9 transferred \$36,000,000 from the general fund to the budget stabilization fund.

10 (END)